

30 March 2017

**Keras Resources plc (“Keras” or “the Company”)
Applications for Cobalt and Nickel Licences**

Keras Resources plc is pleased to announce its intention to target exposure to the high growth battery market with emphasis on the metals used in the production of cathodes. A total of five exploration licence applications have been submitted over 1,000 square kilometres of ground in West Africa that cover previously discovered cobalt and nickel mineralisation.

Highlights

- Five applications submitted over vacant ground in West Africa that cover known cobalt and nickel mineralisation
- Average rock chips from mineralised zone grade at 0.82% nickel (“Ni”) and 0.19% cobalt (“Co”), with highs of 1.4% Ni and 0.25% Co
 - Equates to a 4.5g/t equivalent gold grade based on current metal prices
- Cobalt prices have increased 100% in the past six months and supply/demand fundamentals support onward positive price movement
- Cobalt often reported as the most critical metal from a supply perspective for the battery industry
- Grant of licences would provide AIM investors with a unique opportunity to gain exposure to the high-growth battery industry through the development of three complementary commodities: cobalt, nickel and manganese

Keras Managing Director Dave Reeves said, “Following the recent announcement regarding the funding of our gold assets via its listing on the ASX, we have been investigating various commodities and parallel strategies for our non-gold assets. This review highlighted the critical importance of a selection of commodities vital to the future expansion of the battery industry. These commodities, which have been referenced by industry players such as Elon Musk of Tesla fame, include nickel, cobalt, lithium and manganese.

“As investors will be aware, the rise of lithium and its influence over the London markets have been widely reported, however, more specialist commodities including cobalt have been overlooked; despite recent reports that cobalt is the most critical material for the development of the battery industry. In addition, the review highlighted the strategic importance of manganese in the production of cathodes, a commodity Keras already has exposure to. As a result, our team, in conjunction with geological consultants, have identified an area that was open for pegging that has known cobalt and nickel mineralisation outcropping at surface. We believe the granting of the exploration licence should be complete in Q2 this year and look forward to commencing works on this high value commodity.

“We believe the battery market will be one of the fastest growing consumers of metals in the next decade and are positioning ourselves to be a supplier of cathode materials to this expanding industry.”

Further Information

The area of interest is comprised of sericite schist, chlorite sericite schite and quartzite injected by ultramafic rocks. Numerous gossans and gossaniferous schist outcrop surrounding the mafic and the ultramafic bodies. As a result, the target mineralisation are sulphide Ni/Co orebodies. Initial exploration will focus on re-processing of existing data, trenching and a limited drill campaign.

The priority target has several rock chips with results as shown in the table below. The in-situ value of the cobalt mineralisation based on the average of these grades is greater than the nickel component and is equivalent to 4.5g/t of gold based on current prices.

	Nickel %	Cobalt %	Nickel Value USD/t	Cobalt Value USD/t	Total Value USD/t	Au Eq g/t
Sample 1	0.82	0.25	86.10	125.00	211.10	5.25
Sample 2	1.43	0.22	150.15	110.00	260.15	6.47
Sample 3	0.42	0.136	44.10	68.00	112.10	2.79
Sample 4	0.6	0.162	63.00	81.00	144.00	3.58
Average	0.82	0.19	85.84	96.00	181.84	4.52
Price	10,500	50,000				1,250/oz

There can be no guarantee that the licence applications will result in a favourable outcome for Keras. Further announcements regarding the status of the licence applications and the licence area will be made as appropriate.

Further Information on Battery Cathodes

There are five main types of lithium-ion batteries, three of which contain cobalt, two of which contain manganese and two which contain nickel.

Battery Type	Cobalt / Manganese Usage
Lithium Cobalt Oxide (LiCoO ₂)	~60% Co
Lithium Nickel Manganese Cobalt Oxide (LiNiMnCoO ₂)	~29% Co ~27%Mn
Lithium Nickel Cobalt Aluminium Oxide (LiNiCoAlO ₂)	~9% Co
Lithium Manganese Oxide (LiMn ₂ O ₄)	~61% Mn
Lithium Iron Phosphate (LiFePO ₄)	No cobalt or manganese

*Source: Cadex Electronics

Over 50% of the world's cobalt production derives from the Democratic Republic of Congo, which has high-risk to continuity of supply and price fluctuations due to political instability, with the majority of producing cobalt assets being Chinese owned. Most cobalt is mined as a by-product of copper and nickel mining meaning it is slower to respond to market dynamics as it is often more dependent on the primary minerals' economics.

Commodity research group CRU estimates that cobalt demand will exceed 100kt per annum in 2017 and grow at an average of 5% per annum over the next 10 years. During this time, cobalt usage in lithium ion batteries is estimated to grow from 37% to over 60% of the refined cobalt market.

New Corporate Presentation

The Company would also like to announce that an updated version of its corporate presentation is now available on the Company's website at www.kerasplc.com. The presentation contains no new material information that has not already been disclosed.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

****ENDS****

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